

ESTIMATED DEVELOPMENT FORECAST AND ANALYSIS

The residential component of the Carmel Mountain Ranch Community is expected to develop between 1984 and 1998. The industrial properties are expected to be fully developed by the end of the calendar year 1997, with first industrial occupancies having taken place in 1984. Most of the commercial development is expected to take place between 1985 and 1995.

The rate of residential development will vary throughout the buildout period. Table 1 shows the annual development forecast by fiscal year for the residential, commercial and industrial land uses based on the master developer's projection as of the date of preparation of this Plan.

Figure 1 illustrates the rate of residential development by fiscal year. Although the forecast reflects the developer's best projections as of the date of this Plan, the actual number dwelling units developed during any one or more years may be subject to variation due to presently unforeseen factors.

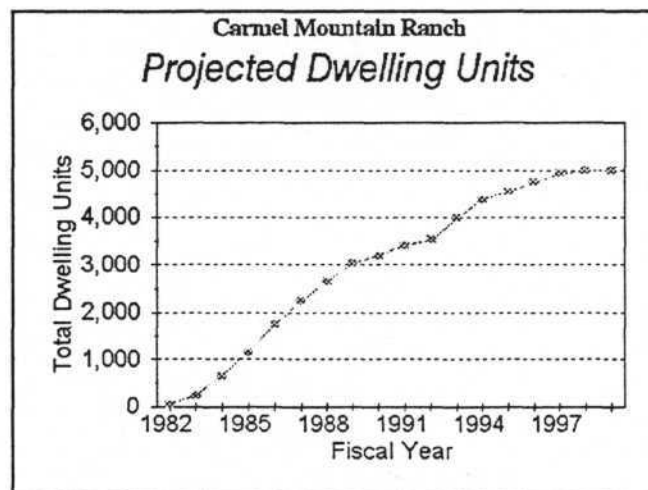


Figure 1

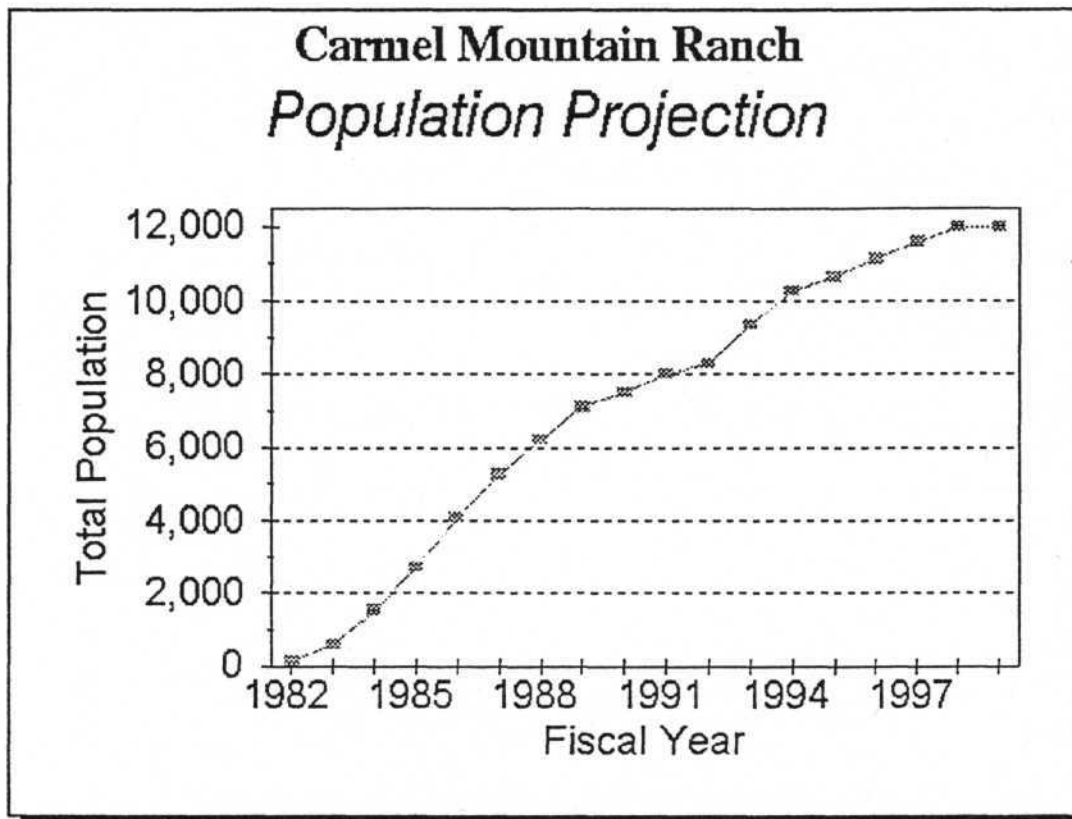
**Figure 2**

Figure 2 shows the projected population that would reside in Carmel Mountain Ranch by fiscal year based upon the projected residential development phasing and SANDAG population factors of 3.0 residents per single family detached housing, 2.2 residents per single family attached housing and 1.5 persons per multi-family dwelling units.

Carmel Mountain Ranch
Tentative Buildout Schedule

Fiscal Year	Residential Dwelling Units (building permits issued per year)				Non-Residential Ac/Yr ¹ (building permits issued)		
	No. SFD	No. SFA	No. MFA	Cumm Total	Comm.	Indust.	Cumm Total
Prior	2,394	398	1,587	4,379	114.7	138.9	253.6
1995		158		4,537	14.5	9.6	277.7
1996	102	100		4,739	3.2	8	288.9
1997	111	80		4,930		8	296.9
1998		67		4,997		8	304.9
1999						8	312.9
2000							
Totals	2,607	911	1,587	4,997	132.4	180.5	312.9

SFD = Single Family Detached Dwelling Units (includes zero lot line)

SFA = Single Family Attached Dwelling Units (i.e. Condominiums)

MFA = Multi-Family Attached Dwelling Units (i.e. Apartments)

¹ Non-residential acreage means commercial and industrial acreage, not including the golf course or any acreage for public use such as the fire station, library, roads, post office, schools, parks or publicly dedicated open space.

Table 1